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and Finance Committee

ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE COMMITTEE TO THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Ms. Anna-Karin HOLM-ERICSON (Sweden)

CHAPTER III. Financial, budgetary and administrative matters

B. Revised budget estimates for 1992-1993 and budget estimates for 1994-1995

ANNEX

I

Revised budget estimates for the biennium 1992-1993

The Governing Council,

Having considered the revised budget estimates for 1992-1993 of the United Nations Development Programme and the funds administered by the United Nations Development Programme (DP/1993/45),

Recalling its decision 91/46 of 21 June 1991, in particular section thereof, regarding the presentation budget estimates,

1. Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions (DP/1993/46);

2. Welcomes the changes which the Administrator has introduced in the presentation of the biennial budget;

3. Requests the Administrator, in line with the recommendation made by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), to include a concise statement of the Programme's current and projected income in the executive summary of future submissions of the biennial budget estimates;

4. Invites the Administrator to consider further changes to achieve consistency of formatting between the budget documents and existing financial review and expenditure reports;

5. Approves the revised budget estimates in respect of the Office for Project Services;

6. Approves the revised budget estimates in respect of the United Nations Volunteers programme;

7. Approves revised appropriations in the amount of $609,564,700 gross, to be allocated from the resources indicated below to finance the 1992-1993 biennial budget, and resolves that the income estimates in the amount of $32,000,000 shall be used to offset the gross appropriations, resulting in net appropriations of $577,564,700, as indicated below:

United Nations Development Programme revised 1992-1993 biennial budget for administrative services, programme support and development activities and trust funds

(Thousands of United States dollars)

	APPROVES:	TAKES NOTE OF:	
	Gross/net Appropriations	Estimated extra-budgetary income	Total gross/net estimates
I. RESOURCES OF UNDP			
A. UNDP core activities a/			
Headquarters b/	148 253.6	23 297.7	171 551.3
Field Offices	331 322.4	30 200.4	361 522.8
Gross UNDP core activities	479 576.0	53 498.1	533 074.1
Estimated income	32 000.0	0.0	32 000.0
Net UNDP core activities	447 576.0	53 498.1	501 074.1
B. Programme support and development activities			
Programme development activities	21 286.0	0.0	21 286.0
Project/programme implementation services			
DSS	5 788.7	0.0	5 788.7
OPS c/	32 793.3	33 269.9	66 063.2
IAPSO	5 669.4	2 681.4	8 350.8
UNV	30 728.2	1 829.0	32 557.2
National execution	2 690.6	0.0	2 690.6
Total project/programme implementation services	77 670.2	37 780.3	115 450.5
Programme support d/	2 300.0	0.0	2 300.0
Total programme support and development activities	101 256.2	37 780.3	139 036.5
C. Total resources of UNDP			
Gross resources	580 832.2	91 278.4	672 110.6
Estimated income	32 000.0	0.0	32 000.0
Net resources	548 832.2	91 278.4	640 110.6
II. RESOURCES OF TRUST FUNDS			
A. UNCDF	10 766.0	0.0	10 766.0
B. UNRFNRE and UNFSTD	4 356.6	13.6	4 370.2
C. UNSO	8 004.3	3 547.6	11 551.9
D. UNIFEM	5 605.6	446.8	6 052.4
Total	28 732.5	4 008.0	32 740.5
III. TOTAL UNDP APPROPRIATIONS			
Gross appropriations	609 564.7	95 286.4	704 851.1
Estimated income	32 000.0	0.0	32 000.0
Net UNDP appropriations	577 564.7	95 286.4	672 851.1

a/ The Administrator is permitted to redeploy between the field office and headquarters appropriation lines up to a maximum of 5 per cent.

b/ Headquarters extrabudgetary income represents income from external sources, exclusive of reimbursements to UNDP core from non-core units. The reimbursements are already included in the appropriation estimates of the non-core units.

c/ The approved appropriation is funded from UNDP General Resources.

d/ Represents UNDP contribution to CGIAR and UNDP-UNSO/UNEP joint venture.

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II

Budget estimates for the biennium 1994-1995

The Governing Council,

Having considered the budget estimates for the biennium 1994-1995 of the United Nations Development Programme and the funds administered by the United Nations Development Programme (DP/1993/45), and taking into account the observations and comments made thereon,

Recognizing the multifaceted nature of United Nations Development Programme activities and the inherent complexity of the presentation of the biennial budget,

Recalling paragraphs 37 and 38 of its decision 91/46 concerning costs elements charged to the United Nations Development Programme budget not related to the delivery of the indicative planning figure programme,

Stressing the need to maintain an appropriate level of detail and transparency in the budget estimates,

1. Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions (DP/1993/46);

A. Presentation of the budget estimates

2. Takes note of the Administrator's analysis of field office workload, as contained in paragraphs 163 to 177 of document DP/1993/45, and the estimate that 29 per cent of that workload relates to support to the operational activities of the United Nations as a whole;

3. Endorses, in this connection and without prejudice to possible future decisions on the coverage of administrative costs at the field level, the Administrator's proposal, contained in paragraph 174 of document DP/1993/45, to charge the full costs of such support to the UNDP budget and to reflect these separately by introducing a new appropriation line entitled "Support to the operational activities of the United Nations";

B. 1994-1995 core budget estimates

4. Congratulates the Administrator for applying a restrictive budget policy and welcomes his proposal to implement volume reductions in the core budget of both headquarters and field offices without negatively affecting the delivery of programmes;

5. Endorses the Administrator's proposals with regard to the senior management structure, as contained in paragraph 52 of document DP/1993/45, especially those for the maintenance of the level of the posts of Directors of Regional Bureaux, Director of the Bureau for Programme Policy and Evaluation and Director of the Bureau for Finance and Administration at the Assistant

Secretary-General level, with the exception of the proposal to downgrade the post of Director, Regional Bureau of Arab States, contained in paragraph 52 of the report of the Administrator, from the Assistant Secretary-General level to the D-2 level;

6. Requests, therefore, the Administrator to review the senior management structure of the United Nations Development Programme and, if necessary, to report to the Council at its special session in February 1994;

7. Takes note of the Administrator's proposal with regard to the establishment of the Office of Budget and Management as contained in paragraphs 64 to 67 of document DP/1993/45, reporting directly to the Assistant Administrator and Director, Bureau for Finance and Administration, to give focus and priority to cost-effectiveness, efficiency and enhanced accountability;

8. Supports the Administrator's initiatives with regard to elaborating the regional service centre concept, as described in paragraphs 102 to 110 of document DP/1993/45, in particular the involvement of commercial audit and accounting firms to provide a range of audit and accounts examination services to field offices;

9. Requests the Administrator to keep the Council informed of further developments and experience gained in this regard in the context of his revised budget estimates for the biennium 1994-1995;

10. Takes note of its decision 93/____, confirming the maintenance of the Humanitarian Programme for the biennium 1994-1995 and the allocation of special programme resources for this purpose, covering one L-5 and one L-4 post;

11. Approves the continuation of the D-2 and P-5 posts for the Humanitarian Programme, on the understanding that the programme, while reporting to the Office of the Administrator, will maintain close liaison with the Department of Humanitarian Affairs and will operate within a framework of inter-agency coordination under the leadership of the Department of Humanitarian Affairs;

12. Calls on the Administrator to include separate presentations on the Humanitarian Programme in future budget documents, clearly delineating all costs to be charged to the Programme;

13. Takes note of the report of the Administrator on the field offices in Albania, Bulgaria and Poland as contained in paragraphs 111 to 116 of document DP/1993/45;

14. Takes note of the report of the Administrator on the field presence in the Baltic States, the Commonwealth of Independent States and Georgia as contained in paragraphs 117 to 130 of document DP/1993/45, including the cost estimates and sources of financing for operations during the biennium 1994-1995;

15. Urges the Administrator, bearing in mind decision 92/43 of 26 May 1992, to follow an innovative and cost-effective approach when utilizing core resources allocated to the field presence referred to in paragraph 14 above, and to continue to give priority in determining the allocation of core

resources to those countries with the lowest relative levels of per capita gross national product and the highest level of indicative planning figure and aggregate programme resources, as well as to ensure an integrated United Nations approach and presence;

16. Requests the Administrator to conclude, as soon as possible, a formal agreement with the United Nations on the joint funding of the United Nations interim field offices in the Commonwealth of Independent States and Georgia;

17. Requests the Administrator to report on the implementation of paragraphs 15 and 16, in the context of his submission of the revised budget estimates for the biennium 1994-1995, to the Council at its forty-first session (1994);

18. Recognizes that the smooth implementation of the proposed budget strategy entails transitional costs, also taking into account that the proposed reductions follow a 15 per cent reduction in headquarters core posts in the biennium 1992-1993;

19. Approves, in this connection, the proposals of the Administrator contained in paragraphs 140 and 141 of DP/1993/45, in particular the application of savings earned in 1993 up to a ceiling of 1.5 per cent of the 1992-1993 core appropriation;

C. Programme support and development activities

20. Takes note of the report of the Administrator on programme development activities in response to paragraphs 23 to 25 of decision 91/46 and his proposals relating to programme support and development functions in the field;

21. Recognizes that the effectiveness of follow-up on the part of the United Nations Development Programme to the United Nations Conference on Environment and Development depends to a significant extent on the capacity of the Programme's global network of field offices to provide programme development and support functions, to coordinate support and to assist governments to mobilize resources;

22. Approves the establishment of 41 sustainable development national officer posts;

23. Approves, in principle, the request to establish a limited network of up to 22 National Officer posts to support the role of the Resident Coordinator/Resident Representative in the national response to the HIV/AIDS pandemic, subject to:

(a) A joint review by United Nations Development Programme and World Health Organization/Global Programme on AIDS staff, in consultation with the Management Committee Task Force on HIV/AIDS coordination, with the view to securing early agreement on the functions to be performed by the officers;

(b) A review by the Council at its special session in February 1994, of the relevance of the posts, taking into account the report of the study called

for in World Health Assembly resolution WHA 46.37 of 14 May 1993 and supported in Governing Council decision 93/___, as well as the outcome of the joint review mentioned in subparagraph (a) above;

24. Takes note of the report of the Administrator on the experiences and utilization of development support services, as contained in paragraphs 243 to 258 of document DP/1993/45;

D. Office for Project Services

25. Takes note of Governing Council decision 93/___;

26. Approves in this context, the proposed 1994-1995 budget estimates for the Office for Project Services;

E. United Nations Volunteers

27. Takes note of the Administrator's proposals, as contained in paragraphs 237 to 241 of document DP/1993/45, for streamlining the administrative functions of the United Nations Volunteers programme;

F. Trust funds

28. Approves the Administrator's budget and staffing proposals relating to the United Nations Capital Development Fund, the United Nations Development Fund for Women, the United Nations Fund for Science and Technology for Development/United Nations Revolving Fund for Natural Resources Exploration and the United Nations Sudano-Sahelian Office;

G. Other items

29. Takes note of the interim report of the Administrator on the piloting of short-term, non-permanent contracts and the zero-sum approval authority for P-1 to P-5 job classifications, in the context of human resources aspects relating to the management of change, as contained in paragraphs 131 to 134 of document DP/1993/45;

30. Requests the Administrator, in line with paragraph 13 of decision 92/37, to report to the Council at its forty-first session (1994) on experience gained with the piloting of short-term, non-permanent contracts, including consultations held with the International Civil Service Commission;

31. Decides to extend the pilot phase relating to reclassifications and to review the implementation of the pilot arrangement, including its continuation, and reclassifications made, on the basis of a substantive report which the Administrator is requested to submit in the context of the budget proposals for the biennium 1996-1999;

32. Approves appropriations in the amount of $628,421,100 gross, to be allocated from the resources indicated below to finance the 1994-1995 biennial budget, and resolves that the income estimates in an amount of $36,700,000 shall be used to offset the gross appropriations, resulting in net appropriations of $591,721,100 as indicated below:

United Nations Development Programme 1994-1995 biennial budget for administrative services, programme support and development activities and trust funds

(Thousands of United States dollars)

	APPROVES:	TAKES NOTE OF:	
	Gross/net Appropriations	Estimated extra-budgetary income	Total gross/net estimates
I. RESOURCES OF UNDP			
A. UNDP core activities a/			
Headquarters b/	149 405.4	23 396.8	172 802.2
Field Offices	239 760.2	39 006.7	278 766.9
Gross UNDP core activities	389 165.6	62 403.5	451 569.1
Estimated income	36 700.0	0.0	36 700.0
Net UNDP core activities	352 465.6	62 403.5	414 869.1
B. Programme support and development activities			
Programme development activities	25 989.5	0.0	25 989.5
Support to the operational activities of the United Nations	96 981.7	0.0	96 981.7
Project/programme implementation services			
DSS	6 225.0	0.0	6 225.0
OPS c/	36 029.6	37 167.4	73 197.0
IAPSO	6 098.5	3 013.7	9 112.2
UNV	31 707.3	391.5	32 098.8
National execution	3 161.5	0.0	3 161.5
Total project/programme implementation services	83 221.9	40 572.6	123 794.5
Programme support d/	2 300.0	0.0	2 300.0
Total programme support and development activities	208 493.1	40 572.6	249 065.7
C. Total resources of UNDP			
Gross resources	597 658.7	102 976.1	700 634.8
Estimated income	36 700.0	0.0	36 700.0
Net resources	560 958.7	102 976.1	663 934.8
II. RESOURCES OF TRUST FUNDS			
A. UNCDF	11 824.1	0.0	11 824.1
B. UNRFNRE and UNFSTD	4 243.4	13.6	4 257.0
C. UNSO	8 054.9	3 689.3	11 744.2
D. UNIFEM	6 640.0	467.1	7 107.1
Total	30 762.4	4 170.0	34 932.4
III. TOTAL UNDP APPROPRIATIONS			
Gross appropriations	628 421.1	107 146.1	735 567.2
Estimated income	36 700.0	0.0	36 700.0
Net UNDP appropriations	591 721.1	107 146.1	698 867.2

a/ The Administrator is permitted to redeploy between the field office and headquarters appropriation lines up to a maximum of 5 per cent.

b/ Headquarters extrabudgetary income represents income from external sources, exclusive of reimbursements to UNDP core from non-core units. The reimbursements are already included in the appropriation estimates of the non-core units.

c/ The approved appropriation is funded from UNDP General Resources.

d/ Represents UNDP contribution to CGIAR and UNDP-UNSO/UNEP joint venture.